

Message Text

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14

ACTION AF-06

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 OMB-01 PA-01 PRS-01 /046 W

----- 123469

P 311042Z JAN 76

FM AMEMBASSY KHARTOUM

TO SECSTATE WASHDC PRIORITY 1049

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E.O. 11652: N/A

TAGS: EFIN, SU, US

SUBJECT: KH CEMENT PLANT PROJECT

REF: STATE 023465

1. GRATEFUL REFTEL. IF NIMEIRI DOES NOT ASK SEE AMBASSADOR IN NEXT FEW DAYS, AMBASSADOR WILL REQUEST APPOINTMENT WITH BIHEIRY TO STRESS ON INSTRUCTION WASHINGTON'S CONCERN WITH IMPLICATIONS GOS HANDLING CEMENT PROJECT FOR FUTURE INTEREST USG FIRMS INTERESTED IN OPPORTUNITIES IN SUDAN.

2. MEANWHILE, HOWEVER, WE SOMEWHAT SURPRISED AT BUTTES REP'S REFERENCE TO NEED FOR "MORE FORCEFUL EFFORT" BY THIS EMBASSY ON BEHALF PROJECT. IN THE TWO WEEKS SINCE WE LEARNED SERIOUS PROBLEM HAD ARISEN, WE HAVE MADE MAJOR CONTINUING EFFORT GET SUDANESE TO RECOGNIZE SERIOUS IMPLICATIONS WHICH MINISTER OF INDUSTRY'S CAPRICIOUS HANDLING CEMENT SCHEME LIKELY HAVE FOR FUTURE US PRIVATE INVESTMENT HERE. AMBASSADOR HAS PERSONALLY DISCUSSED SUBJECT AT LENGTH WITH MINFINANCE (MEMCON DATED JAN 19 POUCHED), MINSTATE PRESIDENTIAL AFFAIRS IDRIS (KHARTOUM 0266), AND UNDER SECRETARY FOREIGN MINISTRY (KHARTOUM 0295) IN ADDITION TO BRIEFER DISCUSSIONS WITH MIN FOREIGN AFFAIRS (KHARTOUM 0140), MINISTER OF INFORMATION AND NIMEIRI'S ADVISOR FOR ARAB AFFAIRS. WE HAVE ALSO PUT

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CASE STRONGLY TO HALF DOZEN INFLUENTIAL WEALTHY SUDANESE

BUSINESSMEN, WHO HAVE IN TURN BEEN IN TOUCH WITH THEIR GOS CONTACTS, INCLUDING VP BAGHIR. ALL THIS ACTION WAS TAKEN WITHOUT ANY REQUEST FROM KH FOR SPECIFIC SUPPORTING ASSISTANCE THOUGH KH REPS WERE IN DAILY CONTACT WITH EMBASSY COMMERCIAL OFFICER.

3. WHEN KH REPS AT LENGTH CALLED ON AMBASSADOR JAN 28, THEY DID ASK THAT AMBASSADOR TAKE INITIATIVE IN SEEKING APPOINTMENT WITH NIMEIRI. GROUP WAS TOLD THAT AMBASSADOR FULLY PREPARED DISCUSS MATTER WITH NIMEIRI IF LATTER WISHED AND URGED THEM SEEK APPOINTMENT WITH NIMEIRI THEMSELVES TO PUT CASE FOR THEIR OWN PROJECT IN DETAIL BEFORE HIM. KH REPS INDICATED THEY WOULD DO SO.

4. IN COURSE CONVERSATION WITH KH REPS (DETAILED MEMCON UNDER PREPARATION) WE MADE POINT THAT ISSUES CONFRONTING COMPANY MIGHT BE SMOKESCREEN AND THAT REAL REASON COMPANY NOW ENCOUNTERING DIFFICULTIES IS THAT KFCTIC HAS AGREED BANKROLL KENANA SUGAR PROJECT. SINCE KFCTIC HEADED BY REPS WELL KNOWN NON-ROYAL KUWAITI MERCHANT FAMILIES, THEIR INSISTENCE THAT LONRHO (PART OWNED BY KUWAITI ROYAL FAMILY) NOT REPEAT NOT MANAGE KENANA SCHEME SUGGESTED POSSIBLE DIFFERENCES OF SOME SORT AMONG KUWAITIS THEMSELVES. MOREOVER, FACT KUWAITI PROMOTERS SHOPPING FOR CAPITAL MIGHT WELL REFLECT THEIR INTEREST IN SEEKING ARRANGE DEAL WITH KH. LATTER WERE URGED TAKE SOME SOUNDINGS WITH THESE KUWAITIS WHO ARRIVED KHARTOUM JAN 30.

5. COMMENT: THERE OBVIOUS SUBSTANTIAL WHEELS WITHIN WHEELS WITH RESPECT FOREGOING. FACT THAT NEITHER OUR REPRESENTATIONS NOR KH EFFORTS HAVE SO FAR BORNE FRUIT SUGGESTS THAT GOS, WHILE HOPING MINIMIZE DAMAGE IN TERMS FUTURE INTERESTS OTHER US FIRMS, MAY HAVE DECIDED KH PROJECT MUST BE SACRIFICED. IT IS PARTICULARLY INTERESTING IN THIS CONNECTION THAT NONE OF SENIOR MINISTERS WITH WHOM AMBASSADOR HAS TALKED HAS SHOWN DISPOSITION TO TAKE PROBLEM TO NIMEIRI ON THEIR OWN. TACTICS PROPOSED KHARTOUM 0266 SEEMED PREFERRED COURSE IN LIGHT ALL THESE FACTORS. IF, HOWEVER, DEPT WISHES AMBASSADOR TAKE INITIATIVE IN SEEING NIMEIRI, PLEASE INSTRUCT.

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BREWER

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Message Attributes

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